



COUNTY OF LOS ANGELES TREASURER AND TAX COLLECTOR

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December 17, 2014

TO: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Joseph Kelly 
Acting Treasurer and Tax Collector

SUBJECT: **REVIEW OF REMOTE CALLER BINGO**

Background

Several Supervisorial Districts and my department have received inquiries concerning the licensing of "Remote Caller Bingo" in the unincorporated areas of the County. Currently, under Title 7 of the Los Angeles County Code (County Code), only "Traditional Bingo" is licensed. The County Code is silent as to the licensing of "Remote Caller Bingo." Should the Board wish to formulate a policy to license "Remote Caller Bingo," the following information is provided.

Traditional Bingo

Definition

"Traditional Bingo" is a lottery type game in which prizes are won when all (or a specific amount of) numbers, on a purchased card(s), match with those chosen by chance. The first player to cover all or specific numbered slots on his or her card wins. In a "Traditional Bingo" game, the callers of the random numbers or symbols are physically present in the same location as the bingo players.

Rules and Regulations

Section 326.5 of the California Penal Code (Penal Code) establishes the legal framework for the regulation of "Traditional Bingo." The State has deferred to local jurisdictions the responsibility to authorize and regulate "Traditional Bingo" local ordinances. Under the County Code, a bingo game must only be used for charitable fundraising, and bingo operators must be associated with specific, eligible, non-profit organizations, which are restricted to holding one game per week. The game must be open to the public, and attendance at any game is limited to the occupancy capacity of the room where the game is conducted. In addition, each operator must also utilize a manager, and both the operator and the manager must apply for a business license.

Prize money is limited to a maximum of \$250 per game under the County Code and \$500 per game under the Penal Code. Under the County Code, the proceeds must be earmarked for specific charitable purpose(s), and that purpose must be listed on the operator's application, along with the expected attendance rate. A manager must be on the premises at all times during the game. No

person may be licensed as a bingo manager; unless he/she is a non-salaried, non-compensated member of the charitable organization licensed to conduct bingo games, and has been a member of that charitable organization for at least six months. Both, operators and managers are subject to a background check. In addition, the charitable organization must also obtain and place a bond for \$5,000 with the County to protect members of the public from pecuniary loss sustained through acts of theft or fraud. The bond shall also specify those individuals who are licensed by the County as the operator and the manager.

Upon receipt of an application, the Treasurer and Tax Collector (TTC) coordinates referrals with the Chief Executive Office's Risk Management Branch, the Department of Public Works' Building and Safety Division, and the Departments of Public Health, Fire, Sheriff, and Regional Planning to review the business requirements for their respective departments. The Business License Commission (BLC) considers approval of the application at a scheduled and noticed public hearing. If the BLC grants approval, the TTC will issue the business licenses to the operator and the manager. The TTC responds to any complaints associated with "Traditional Bingo" in conjunction with the Sheriff's Department. However, the TTC has not received any complaints associated with "Traditional Bingo" within the last two years.

Bingo operator's and manager's business licenses each have an initial application fee of \$50 and an annual renewal fee of \$50. Currently, there are 17 bingo operators licensed in the unincorporated area of the County and the three contracted cities.

Remote Caller Bingo

Definition

"Remote Caller Bingo" is also a lottery type game in which prizes are won when all (or a specific amount of) numbers, on a purchased card(s), match with those chosen by chance. The first player to cover all or specific numbered slots on his or her card wins. In "Remote Caller Bingo," the caller of the random numbers or symbols is located in a separate location from the players. The operator uses audio and video technology to telecast the caller to the participating locations.

Rules and Regulations

Section 326.3 of the Penal Code became effective on September 30, 2008, and established the regulation and jurisdiction of "Remote Caller Bingo" under the California Gambling Control Commission (Commission). The Commission licenses "Remote Caller Bingo" equipment manufacturers, distributors, providers of "Remote Caller Bingo" services, and the caller. The operator's application must include a copy of the local ordinance for the local jurisdiction in which the game will be played, as well as a copy of the "Traditional Bingo" license issued to the organization by that local jurisdiction.

The game must be conducted by specific, eligible, non-profit organizations, which have been operating for at least three years. The receipts from the game must only be used for charitable purposes. The organization cannot conduct "Remote Caller Bingo" more than two days per week. The actual location where the game is held must be within the State of California, and all participating locations where the game is televised must also be within the State, and owned, leased, rented by or donated to a charitable organization.

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In addition, the Commission issues work permits for any administrative, managerial, technical, financial, and security personnel used by non-profit organizations to conduct "Remote Caller Bingo" games. These personnel are subject to a criminal background check, which is conducted by the Commission. Final approval of the application requires a hearing by the Commission. Currently, three counties and 16 cities within the State license "Remote Caller Bingo," refer to Exhibit A.

"Remote Caller Bingo" provides non-profit organizations the ability to increase their fundraising capability. These organizations are able to broadcast to multiple locations and have up to 750 participants per location, dependent on occupancy capacity. In addition, prize money may be up to 37 percent of the bingo gross receipts per game.

The California Department of Justice, Bureau of Gambling Control, is responsible for investigating violations and enforcing the "Remote Caller Bingo" Act. Complaints regarding "Remote Caller Bingo" are under the jurisdiction of the Bureau of Gambling Control.

In order to license "Remote Caller Bingo," the County Code would need to be updated to incorporate the State requirements. In addition, we would need to conduct a fee study to determine the license amounts to be charged to recover the County's costs for processing these types of applications.

Attached is a chart reflecting the differences between "Traditional Bingo" and "Remote Caller Bingo," refer to Exhibit B.

Should you have any questions, please contact me directly, or your staff may contact Kathy Gloster, Assistant Treasurer and Tax Collector, of my staff at (213) 974-2077 or by email at kgloster@ttc.lacounty.gov.

JK:KG:FR:apl

Enclosures

c: Chief Executive Office
Executive Officer, Board of Supervisors
Business License Commission

LOCAL ORDINANCES FOR REMOTE CALLER BINGO

The Department of Justice is required by California Penal Code Section 326.3(j)(4)(H) to post ordinances that have been approved by local agencies, authorizing the play of remote caller bingo games in their respective jurisdiction.

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|--------------------------|------------------------------|
| 1. City of Atascadero | 9. City of Montebello |
| 2. City of Calexico | 10. City of Ontario |
| 3. City of Chula Vista | 11. City of Pomona |
| 4. City of Clearlake | 12. City of Rancho Cucamonga |
| 5. City of Corona | 13. City of Rancho Mirage |
| 6. City of Indio | 14. City of San Bernardino |
| 7. City of Lake Elsinore | 15. City of San Clemente |
| 8. City of Los Angeles | 16. City of Yucaipa |

COUNTIES:

1. Riverside County
2. San Bernardino County
3. Solano County

Traditional Bingo

1. Licensed by local jurisdictions.
2. The bingo caller is on-site.
3. Restricted to one game per week.
4. Number of participants limited to room occupancy limit.
5. Location of games are limited to no more than two locations within the local jurisdiction.
6. Prize money is limited to \$500 per game.

Remote Caller Bingo

1. Licensed by both state and local jurisdictions.
2. The bingo caller is on-site at one location and uses audio and video technology to transmit to a single or multiple locations.
3. Restricted to no more than two games per week.
4. Number of participants limited to 750 players in a single location, not to exceed room occupancy limit.
5. No limit to the number of locations, but the location must be within the state.
6. Prize money per game can be up to 37 percent of each bingo game's gross receipts.